



Major Retiree Health Care Plan Benefit Milestones

- 1974 PA244 MPSERS retiree group health plan began
- 1985 PA91 Required MPSERS health benefit be pre funded
- 1989 PA193 Required MPSERS dental and vision benefits be pre funded as well
- Pre funding discontinued in 1991. Statute permanently changed by PA 158 of 1992.
- 1992 MPSERS board and DMB began retiree healthcare strategic planning with the mission of providing a quality retiree health plan that is affordable to both the retirees and school employers
- 1997 PA487 establishes Graded Premium for future state employee retirees (after March 1, 1997)
- 1999 Began publishing all system's potential retiree healthcare liabilities informally calculated on a pre funded basis and published in the CAFRs
- 2002 PA94 Advance funding initiative put in place
- 2006 Federal Medicare Prescription Drug benefit: all Michigan retirement systems pursue and reap savings
- 2007 Federal Medicare Health integrates medical plan with Medicare program: MPSERS pursues and reaps savings.
- GASB publishes rules effective 2007 to formally calculate system's potential retiree liabilities
- The Michigan Public School Retirement System's Board and the Office of Retirement Services, Department of Management and Budget, has passed 15 initiative packages between 1992 and 2006 that have resulted in over \$750 million in savings. In 2007 the most recent initiative package passed by the Board used a combination of Cost avoidance, Reduction and Sharing methods to both the prescription drug plan and the medical plan and are projected to result in \$62-68 million in savings in 2008 and 2009.
- 2007 PA110 establishes Graded Premium for future public school retirees.